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UNCLAS SECTION 01 OF 02 PHNOM PENH 000292

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SUBJECT: UNIONS SUBMIT MAY DAY DEMANDS IN CAMBODIA

REF: PHNOM PENH 277

11. (U) SUMMARY: Over 2,500 workers took to the streets in an approved march in Phnom Penh to celebrate International Labor Day on May 1. The parade was organized by the few independent trade unions in Cambodia, who used the occasion to demand better conditions for workers. The demonstrators, largely composed of textile and hotel workers, marched through the capital to the National Assembly, where they delivered a ten-point set of demands to parliamentarians from the opposition parties. Although spirits were high, union leaders remain realistic about realizing their goals during what is a difficult time for Cambodia's struggling garment industry. The march also signaled a positive trend for freedom of assembly in Cambodia. END SUMMARY.

All Work and No Play

12. (U) Born in Chicago, but first popularized in the Soviet Union as an international workers day, May Day is typically celebrated in Cambodia with a march and rally often organized by independent or opposition affiliated trade unions. Of significance this year was that the three independent unions collaborated and held a joint event, showing improved cooperation among leadership personalities. A request to hold the May Day parade was approved by the Phnom Penh municipality which came as a pleasant surprise to some unionists. However, government officials, including Prime Minister Hun Sen, urged workers to contribute to the Cambodian economy, which has been hard hit by the global economic crisis (Reftel), by working rather than demonstrating on May 1.

Misplaced Optimism?

13. (U) The parade started with a rally at a local park and proceeded on to the National Assembly, where a union-supported letter enumerating demands for improved working conditions was delivered to parliamentarians. Topping the list of demands was the establishment of an independent labor court, which was given passing mention in Cambodia's 1997 Labor Law, but has received little attention since. Unions, long frustrated with the non-binding nature of the Arbitration Council, optimistically expect a labor court will provide quick, binding, and final decisions. However, some experts believe that this is unlikely in a country where judges are reportedly up for sale, and verdicts manipulated to suit those with influence and money. Cambodia consistently ranks among the world's most corrupt in numerous reports such as Transparency International's Corruption Perception Index.

A Joint Offensive

¶4. (U) Also on the list of demands was the cancellation of the draft amendments to articles 67 and 73 of the Labor Law. Although discussed intermittently since 2007, proposed changes to Articles 67 and 73 of the Labor Law gained momentum and strong backing of the private sector only recently, apparently due to the global economic crisis. The proposed amendments, if approved as currently written, would allow for an unlimited number of fixed duration contracts which would have a negative effect on workers and union rights and protection. Business for Social Responsibility (BSR) sent a letter to the RGC on March 3 which expressed concern over the proposed amendments. The letter stated that the RGC's support of Better Factories Cambodia and "labor standards in general is a key criterion for our companies' sourcing decisions." BSR further commented that they wanted to "ensure that Cambodia's image as a sourcing country with high labor standards is maintained." The letter was signed by the Gap, Wal-Mart, Levis and others.

¶5. (SBU) The draft amendments were sent to PM Hun Sen for comment, and were the main agenda items for a recent 8th Working Group of the Government-Private Sector Forum which PolOff attended. The Ambassador, in her courtesy call with the Minister of Labor, voiced concern over the proposed amendments, stating they would be "disastrous" for Cambodia's niche as a labor friendly nation. The amendments are now on hold once again and may have been scrapped altogether according to Chuon Momthol, president of the pro-government Cambodia Union Federation. In a recent conversation, Mr.

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Momthol told PolOff that PM Hun Sen met with more than 3,000 workers from pro-government unions. At the meeting, Hun Sen agreed to cancel the proposed amendments after hearing that the unions did not support them.

Chea Vichea's Legacy

¶6. (U) The parade ended at the site where popular trade union leader Chea Vichea was gunned down in 2004. Ou Virak, president of the Cambodian Center for Human Rights, recalled the "heroism and devotion to the plight of workers" by the late Chea Vichea and repeated the letter's demand to give Chea Vichea the title of "Worker Hero," to build a memorial statue in his honor near Independence Monument, and to re-open the investigation into his assassination. As Chea Vichea did years before, organizers continued to call for the elimination of the discrimination against freedom of association, reinstatement of union leaders wrongfully suspended or dismissed, and fair resolution of labor disputes.

Economic Consequences

¶7. (U) The letter also demanded safeguard measures for employees should a factory close, diversification of the labor market, increased monitoring of rogue factory owners who claim bankruptcy only to reopen elsewhere, and a reduction of working hours from 48 to 44 hours per week. Stenciled on banners and shouted through loudspeakers, but noticeably absent from the list of demands, was a call to increase the monthly wage by almost one hundred percent to \$120. Although the day's events were peaceful and successful in the eyes of the organizers and participants, the reality of the bleak economic situation lingered in the shadows. Ath Thorn, president of the independent Cambodian Labor Confederation, admitted that unions are currently at a disadvantage due to the global economic crisis, stating that recently employers "have been more likely to ignore our demands."

18. (U) COMMENT: Although the requests made by workers may not be realistic in today's economic climate, the fact that the three main independent unions put their differences aside and worked together to agree on the demands and hold a joint demonstration shows an increased maturity in Cambodia's labor sector. A further indication of maturity, this time by the government, was seen in that such a large demonstration was permitted and proceeded without incident. The International Labor Day events were upbeat and successful, overall a positive trend for freedom of assembly in Cambodia. END COMMENT.
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